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NEWS RELEASE

FOR IMMEDIATE RELEASE October 30, 2006, 5:30pm CST

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Attorney General Bruning Celebrates Lincoln County Boys & Girls Club Opening

(North Platte, NE) Attorney General Jon Bruning celebrated the grand opening of the Boys & Girls Club of Lincoln County today at St. Patrick Catholic Church's Youth Center in North Platte.

"Our kids are facing the pressures of underage drinking, violence and drugs like meth everyday," Bruning said. "After school programs, like those offered by Boys & Girls Clubs provide our kids with a better way to spend their time and ultimately, a better life."

"This has been a tremendous undertaking by our volunteer Board of Directors," said Kimberley Stewart, Board President of the Boys & Girls Club of Lincoln County. "It's all worth it to see the Club open and provide this wonderful opportunity to youth in our own community."

The Lincoln County club is the first of several new clubs to be opened outside of Omaha as part of the Boys & Girls Clubs of America's (BCGA) *Growth and Impact* strategy for Nebraska.

Winnebago and Chadron will open Boys & Girls Clubs in November, and a leadership team led by Jack Coogan, Director of Environmental Health and Safety at Pfizer, Inc. in Lincoln, is also mobilizing.

Bruning Urges Families to Plan Trick-or-Treat Routes to Avoid Homes of Sexual Predators

(Lincoln, Neb.) Attorney General Jon Bruning today urged Nebraskans to plan safe trick or treat routes for their children this Halloween by going online to learn if sex predators are living in their neighborhoods.

"Know your neighbors before you go out trick-or-treating this year," Bruning said. "Log on to the state's Sex Offender Registry Web site to see if convicted sex offenders live in your area. This will help ensure that our children stay safe this Halloween."

Bruning also urged parents to accompany their children while trick-or-treating and check candy for tampering when they return home.

Nebraskans can visit the state's Sex Offender Registry Web site at http://www.nsp.state.ne.us/sor/. The site is administered by the Nebraska State Patrol.

FOR IMMEDIATE RELEASE October 30, 2006, 4:15pm CST

Contact: Holley Hatt 402.471.2067

Attorney General Bruning Announces \$1.2 Million Medicaid Settlement With St. Elizabeth Hospital

(Lincoln, NE) Attorney General Jon Bruning and United States Attorney Debra Wong Yang of Los Angeles, Calif., announced today that St. Elizabeth Regional Medical Center has paid the State of Nebraska \$1.2 million to settle allegations that it knowingly failed to disclose and failed to return overpayments made by the Nebraska Medicaid program.

"St. Elizabeth was overpaid by Nebraska Medicaid and kept the money," Bruning said. "The taxpayers lose when these types of payments aren't reported."

This amount is part of a larger \$4 million settlement in which St. Elizabeth will also pay the federal government \$2.8 million for overpayments made by Medicare and Medicaid.

The settlement was paid Oct. 27. The allegations were unsealed today by a federal court in California.

The settlement resolves allegations made against St. Elizabeth by a whistleblower. The lawsuit was filed in 1998 by a former employee of Healthcare Financial Advisors (HFA), a consulting firm that assisted hospitals in preparing cost reports submitted to the Medicare and Medicaid health insurance programs. The lawsuit alleged that HFA helped its hospital clients seek reimbursement for unallowable costs and helped conceal known overpayments from the government.

St. Elizabeth was accused of knowingly receiving overpayments from Medicare for Intensive Care Unit capital costs for fiscal years 1993 through 1996 and from Medicaid for Neonatal Intensive Care Unit services for fiscal years 1994 and 1995. The lawsuit alleged St. Elizabeth failed to refund these overpayments. St. Elizabeth paid the settlement without admitting any wrongdoing.

The settlement was negotiated by the United States Attorney's Office for the Central District of California and the Nebraska Attorney General's Medicaid Fraud Control Unit. The case was investigated by the U.S. Department of Health and Human Services, Office of Inspector General.

Bruning Provides Republican River Management District Association \$75,000 for Invasive Species Removal

(Imperial, NE) Attorney General Jon Bruning today presented \$75,000 for invasive species removal to the Nebraska Republican River Management District Association (NRRMDA) in Imperial, Neb.

The money was made available through the Attorney General's Environmental Court Ordered Settlement Fund, a fund generated from voluntary payments collected in court-approved settlements from entities that have violated state and federal environmental regulations.

"Non-native plants like salt cedar consume significant amounts of water and crowd natural plants that use less water," Bruning said. "As we continue to do everything we can to comply with our compact obligations, removing these heavy water users can relieve some of the pressure on our resources.

"Helping the Republican River Basin is just the beginning. This a statewide issue, particularly around the Platte River, that we all need to help solve," Bruning said.

The NRRMDA is an association of the four Natural Resources Districts and the four surface water irrigation districts in the Republican River basin. The association was formed informally in 1994 and officially formed as an association by interlocal agreement in May 2000. The association provides a forum for communication and cooperation between the member districts.



Bruning Provides \$3,000 for Environmental Education to South Platte Natural Resources District

(Sidney, Neb.) Attorney General Jon Bruning presented \$3,000 for environmental education efforts to the South Platte Natural Resources District (NRD) today in Sidney.

The money was made available through the Attorney General's Environmental Court Ordered Settlement Fund. The fund is comprised of voluntary payments collected in court-approved settlements from entities that have violated state and federal environmental regulations.

"The NRDs are a main provider of environmental education in the state, particularly in our schools," Bruning said. "Helping prevent environmental problems in the future and investing in the health and well-being of our children is an ideal way to use these funds."

Nebraska NRDs currently provide numerous environmental education programs, including educator workshops, the Leopold Education Project, Project Wild, Natural Resources Educator of the Year and many others. The South Platte NRD also hosts the Nebraska Envirothon for high school students to learn more about the environment in the district and the Western Nebraska Children's Groundwater Festival for the elementary students in the district.

The South Platte Natural Resources District holds 1,651,690 acres of land in Kimball, Cheyenne, and Deuel counties.

Bruning Provides \$3,000 for Environmental Education to North Platte Natural Resources District

(Scottsbluff, Neb.) Attorney General Jon Bruning presented \$3,000 for environmental education efforts to the North Platte Natural Resources District (NRD) today in Scottsbluff.

The money was made available through the Attorney General's Environmental Court Ordered Settlement Fund. The fund is comprised of voluntary payments collected in court-approved settlements from entities that have violated state and federal environmental regulations.

"The NRDs are a main provider of environmental education in the state, particularly in our schools," Bruning said. "Helping prevent environmental problems in the future and investing in the health and well-being of our children is an ideal way to use these funds."

Nebraska NRDs currently provide numerous environmental education programs, including educator workshops, the Leopold Education Project, Project Wild, Natural Resources Educator of the Year and many other environmental education programs. The North Platte NRD also hosts Water Wonders for fifth-graders, an annual Branched Out program in which elementary students explore the Wild Cat Hills, and classroom visits that focus on environmental education.

The North Platte NRD includes 3,226,880 acres in Garden, Morrill, Banner, Scotts Bluff, and lower Sioux counties.

Attorney General Bruning: Trooper Reinstatement Destroys Public Trust

Court Hearing Held Today on Trooper Tied to KKK

(Lincoln, NE) The Attorney General's office asked a district court judge today to vacate an arbitrator's decision that a Nebraska state trooper should be reinstated despite his membership in a group tied to the Ku Klux Klan (KKK).

"The ability of the State Patrol to effectively protect its citizens requires the public's trust," Bruning said. "Allowing a Klan member in the ranks destroys that trust.

"This is an injustice that cannot stand," Bruning said.

The hearing occurred in Lancaster County District Court before Judge Jeffre Cheuvront. Chief Deputy Attorney General Matt McNair handled the case. A reply brief was also submitted for the court's review.

After receiving a tip, a state patrol investigation determined Henderson had joined a group associated with the KKK known as the Knights Party. Henderson's employment was terminated March 15.

The motion, filed Aug. 25, states Henderson violated Nebraska State Patrol policies and procedures, which affects the operation and efficiency of the Patrol.

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A copy of the Attorney General's reply brief and an audio clip is posted on the Attorney General's Web site at www.ago.state.ne.us.



Bruning Provides \$3,000 for Environmental Education to Lower Big Blue Natural Resources District

(Lincoln, Neb.) Attorney General Jon Bruning presented \$3,000 for environmental education efforts to the Lower Big Blue Natural Resources District (NRD) today in Beatrice.

The money was made available through the Attorney General's Environmental Court Ordered Settlement Fund. The fund is comprised of voluntary payments collected in court-approved settlements from entities that have violated state and federal environmental regulations.

"The NRDs are a main provider of environmental education in the state, particularly in our schools," Bruning said. "Helping prevent environmental problems in the future and investing in the health and well-being of our children is an ideal way to use these funds."

Nebraska NRDs currently provide numerous environmental education programs, including educator workshops, the Leopold Education Project, Project Wild, Natural Resources Educator of the Year and many other environmental education programs. The Lower Big Blue NRD also hosts Earth Day and Water Adventure programs for fifth-graders in Gage, Jefferson and Saline counties.

The Lower Big Blue NRD includes 1,054,000 acres in Gage, Saline, Jefferson, and Pawnee counties.

Bruning Announces Knotek Sentence For Abuse of a Vulnerable Adult

(Lincoln, NE) Attorney General Jon Bruning today announced Lori Knotek, 47, was sentenced to five years in prison for duping 87-year-old Dorothy Smith out of hundreds of thousands of dollars while providing care for the senior. She was also ordered to pay \$577,351.40 in restitution to Smith.

"Dorothy Smith was betrayed by the person she most trusted," Bruning said. "This sentence sends a clear message that if you steal from vulnerable adults, you will pay a heavy price."

Knotek pled guilty to one count of abuse of a vulnerable adult, a class IIIA felony, on July 26.

Between 2002 and 2005, Knotek spent more than \$500,000 of Smith's money for products from QVC and the Home Shopping Network. Between March 21 and April 21, 2005, alone, she charged \$31,074.40 for purchases. Knotek paid the credit card bills out of the joint checking account she and Smith held for expenses related to Smith's care. Knotek also convinced Smith to purchase a home in Council Bluffs for \$260,000 and two years later, sell it to the caregiver for \$1.

Judge W. Russell Bowie ordered the sentence in Douglas County District Court. Criminal Bureau Chief Don Kleine prosecuted the case.

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An audio clip regarding this sentence is posted on the Attorney General's Web site at www.ago.state.ne.us.

Attorney General Bruning Announces Theft Charges Against Former Clarkson City Clerk

(Lincoln, NE) Attorney General Jon Bruning today announced his office has filed three theft charges against former Clarkson City Clerk Lorraine Smith in Colfax County. The charges include one count each of theft by unlawful taking, theft of services, and theft by deception.

An internal city investigation and a Nebraska State Patrol investigation found Smith stole \$14,375.83 in city funds and services between October 2003 and August 2005.

"Ms. Smith violated the public trust and cheated Clarkson residents out of thousands of dollars. She must pay the price for her decisions," Bruning said.

According to the investigations, the city reimbursed Smith's personal health insurance premiums as a part of her contract. Although her insurance rates dropped, she continued collecting reimbursement at higher rates. By 2005, she was collecting up to \$840.65 per month above her actual insurance costs. In total, the city overpaid Smith \$10,419.34 in insurance reimbursements.

Smith also altered bookkeeping records to apply utility payments made by other customers toward her own utility bills. A total of \$3,283.67 was redirected. She charged \$672.82 in personal business expenditures to the city by turning in false receipts for reimbursement.

In August 2005, the 13-year city employee was terminated as city clerk. When over \$1,500 is stolen, theft by unlawful taking and theft of services are class III felonies, punishable by one to 20 years in prison and a \$25,000 fine. When the amount stolen is between \$500 and \$1,500, theft by deception is a class IV felony, punishable by up to five years in prison and a \$10,000 fine.